

AMENDED IN ASSEMBLY JUNE 28, 2007

SENATE BILL

No. 863

Introduced by Senator Yee
(Coauthor: Assembly Member Torrico)

February 23, 2007

An act to amend Section 19401 of, *and to add Sections 19421.3 and 19421.5 to*, the Business and Professions Code, relating to horse racing.

LEGISLATIVE COUNSEL'S DIGEST

SB 863, as amended, Yee. Horse ~~racing-breeding~~ racing.

Existing law expresses the intent of the Legislature in authorizing parimutuel wagering on horse races, including encouraging agriculture and the breeding of horses in this state.

This bill would include in that provision helping to ensure a sufficient supply of horses for horse racing in California.

Existing law establishes the California Horse Racing Board and establishes in the board jurisdiction over meetings, and persons involved in the operation of the meetings, in the state where horse races with wagering on the results are held.

This bill would prohibit more than 3 members of the board who are licensed to participate in the horse racing industry from serving on the board at the same time, as specified. This bill would also require the board to promulgate and adopt regulations regarding conflicts of interest and ethics for the board, as specified.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 19401 of the Business and Professions Code is amended to read:

19401. The intent of this chapter is to allow parimutuel wagering on horse races, while:

- (a) Assuring protection of the public.
- (b) Encouraging agriculture and the breeding of horses in this state, including, but not limited to, helping to ensure a sufficient supply of horses for horse racing in California.
- (c) Supporting the network of California fairs.
- (d) Providing for maximum expansion of horse racing opportunities in the public interest.
- (e) Providing uniformity of regulation for each type of horse racing.

SEC. 2. Section 19421.3 is added to the Business and Professions Code, to read:

19421.3. (a) No more than three members of the board who are licensed to participate in the horse racing industry by the board may serve on the board at any one time. To the extent that licensees serve on the board, no more than one licensee may be a person whose participation in the horse racing industry is predominately in the northern zone, no more than one licensee may be a person whose participation in the industry is predominately in the central or southern zone, and no more than one licensee may be a person whose participation in the industry is predominately in races which are conducted after 6 p.m. Pacific time.

(b) For purposes of this section, a person shall be considered a licensee if he or she has been licensed by the board for any period during the previous two calendar years prior to commencing service as a board member.

SEC. 3. Section 19421.5 is added to the Business and Professions Code, to read:

19421.5. (a) The board shall, by July 1, 2008, promulgate and adopt regulations regarding board member conflicts of interest and shall develop a code of ethics for all board members. The regulations shall include, but not be limited to, provisions governing recusal from participation in matters before the board due to financial conflict of interest and incompatible activities by board members.

1 ***(b) The board shall conduct annual training for its members***
2 ***regarding compliance with the regulations promulgated pursuant***
3 ***to subdivision (a).***

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